SOUTHERN CALIFORNIA

ASSOCIATION of GOVERNMENTS

# MEETING OF THE

# PLANS & PROGRAMS TECHNICAL ADVISORY COMMITTEE

## Thursday, November 16, 2006
## 10:00 a.m. – 12:00 p.m.

## SCAG Offices
## 818 W. 7th Street, 12th Floor
## San Bernardino Conference Room
## Los Angeles, CA 90017
## (213) 236-1800

**Video Conference Location**
SCAG Inland Empire Office
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# PLANS & PROGRAMS TECHNICAL ADVISORY COMMITTEE

## AGENDA

| | | PAGE# | TIME |
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***Any item listed on the agenda (action or information) may be acted upon at the discretion of the Committee.***

**1.0 CALL TO ORDER & INTRODUCTIONS** — **Doug Kim, LACMTA, Chair**

**2.0 PUBLIC COMMENT PERIOD**

**Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker's card to the Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The chair may limit the total time for all comments to twenty (20) minutes.**

**3.0 CONSENT CALENDAR**

3.1 Approval Items

| Item | Description | Presenter | PAGE# | TIME |
|---|---|---|---|---|
| 3.1.1 | Approve Minutes of September 7, 2006<br>**Attached** | | **1** | |
| 3.1.2 | Approve Minutes of September 21, 2006<br>**Attached** | | **11** | |
| 3.1.3 | Approve Minutes of October 16, 2006<br>**Attached** | | **22** | |
| 3.1.4 | Approve Minutes of October 19, 2006<br>**Attached** | | **27** | |

**4.0 DISCUSSION ITEMS**

| Item | Description | Presenter | PAGE# | TIME |
|---|---|---|---|---|
| 4.1 | RTP Revenue Forecast | **Chris Williges, System Metrics** | | 15 minutes |
| 4.2 | Status Report on New Travel Demand Model | **Deng Bang Lee, SCAG** | | 20 minutes |
| 4.3 | RTP Airport Ground Access Element | **Mike Armstrong, SCAG** | | 15 minutes |

| | | |
|---|---|---|
| 4.4 SAFETEA-LU Gap Analysis for 2004 RTP | **Naresh Amatya**<br>**SCAG** | 15 minutes |
| 4.5 2008 RTP Work Schedule Update | **Tarek Hatata**<br>**System Metrics** | 15 Minutes |
| 4.6 Standing Items | | |
| 4.6.1 Growth Forecast | | |
| *Community Development staff will present on items related to the Integrated Growth Forecast and an update on the ongoing Subregional Workshop series.* | **Joe Carreras,**<br>**SCAG** | 35 Minutes |
| 4.6.2 Highways and Arterials | | |
| 4.6.2.1 Project List Development | **Chris Williges**<br>**System Metrics** | 15 Minutes |
| 4.6.3 TDM / Non-Motorized<br>*No report* | | |

**5.0 STAFF REPORT**

**6.0 ADJOURNMENT**

The next meeting of the Plans & Programs Technical Advisory Committee will be held at the SCAG offices on Thursday, December 21, 2006.

# *Minutes*

**THE FOLLOWING MINUTES ARE A SUMMARY THE PLANS & PROGRAMS TECHNICAL ADVISORY COMMITTEE (TAC) MEETING. THE AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The TAC held a special meeting at the SCAG offices in Downtown Los Angeles. The meeting was called to order by Chair Doug Kim, LACMTA.

**Members Present**

| | |
|---|---|
| Jacki Bacharach | South Bay Cities COG |
| Shefa Bhuiyan | Caltrans District 8 |
| Connie Chung | County of Los Angeles – Regional Planning |
| Kari Davis | County of Los Angeles – Regional Planning |
| Deborah Diep | CDR, CSU Fullerton |
| Kim Fuentes | South Bay Cities COG |
| Bill Gayk | Riv. Co. Transp. & Land Mgmt. Agency |
| Linda Guillis | City of Moreno Valley |
| Tarek Hatata | System Metrics Group |
| Mark Herwick | County of Los Angeles |
| Lori Huddleston | LACMTA |
| Doug Kim | LACMTA |
| Larry Longenecker | City of Laguna Niguel |
| Julie Moore | County of Los Angeles – Regional Planning |
| Brandon Nichols | City of Newport Beach |
| Tracy Sato | City of Anaheim |
| Ty Schuiling | SANBAG |
| Gail Shiomoto-Lohr | OCCOG |
| Bruce Smith | Ventura County RMA |
| John Stesney | LACMTA |
| Jack Tsao | City of Los Angeles |
| Tony Van Haagen | Caltrans District 7 |
| Carla Walecka | Transportation Corridor Agencies |

**Via audio/video conference**

| | |
|---|---|
| Scott Brinkston | City of Tustin |
| Lorena Godinez | City of Ontario |
| Rosa Lopez | IVAG |
| Kevin Viera | WRCOG |

**SCAG Staff**

| | | |
|---|---|---|
| Naresh Amatya | Lynn Harris | Frank Wen |
| Joe Carreras | Pria Hidisyan | |
| Simon Choi | Hsi-Hwa Hu | |
| Elizabeth Delgado | Philip Law | |

1.0 **Call to Order and Introductions**

Chair Doug Kim, LACMTA, called the meeting to order. Introductions were made.

2.0 **Public Comment Period**

There were no comments.

3.0 **Discussion Items**

Ms. Lynn Harris, SCAG, stated that the TAC should have received the public hearing notice, and that the subregional coordinators have received communication regarding the delegation for RHNA. Ms. Harris stated that the questions that were submitted by the TAC to staff since the last meeting are summarized in the agenda packet. Many of the questions deal with the policy application in the RHNA process and we can't answer these yet. Therefore, the questions were divided into those that we can reasonably expect to help address today on the technical standpoint, and those that we have to defer to the subcommittee that will be formed at the CEHD on Thursday.

Ms. Harris stated that the agenda also includes a letter sent to Cathy Creswell, Deputy Director of HCD, on August 4, 2006. Ms. Creswell had asked that SCAG submit its draft integrated growth forecast in five year increments and that we extrapolate and prepare draft housing unit numbers as a preliminary review to start the RHNA process. That was done, and the table is included in the agenda packet.

Ms. Harris stated that the agenda also includes the action item the CEHD will be considering on September 14. The action is to direct staff to proceed with disaggregating the 2007 integrated forecast into smaller geographic levels. That request was before the TAC on several occasions and staff will report to CEHD that the TAC has deliberated on this but not taken action on the item. The recommended action additionally requests that CEHD approve the proposed timeline and allow staff to move forward with the organization and implementation of RHNA within that timeline. The staff report includes tables on population, employment, households, and housing units. Additionally there is a draft schedule for the integrated growth forecast and RHNA process which has been proposed at the executive management level and to the Executive Committee of SCAG. We have proposed this to HCD and we have been given direction from the Executive Committee to hold the first workshop and begin the process outlined here.

Regarding funding for this effort, Ms. Harris stated that in addition to the funding that we already have from our transportation dollars to create the growth forecast, and funding that we have in our new Blueprint grant which allows us to do some creative work integrating forecasting, housing, and mobility, we looked at those opportunities to apply funds to developing both RHNA and the forecast. It was identified to the Regional Council that we needed at least an additional $750,000 over the two-year period for the original RHNA cycle. That $750,000 used to be reimbursed from the state but now will have to come from our general fund money. Part of the reason our timeline is so compressed at the technical end is because we only have at most $500,000. The Executive Committee gave us $100,000 of general fund money to complete the technical work by the end of the year, prepare a draft housing allocation plan and put it into the public arena, and then start our expanded outreach. This will be ratified at the September 14 Regional Council meeting. We will go back to the Regional Council in January to ask for more funding to finish the work.

Ms. Harris stated that the conversion from households to housing units is not difficult. The preparation in order for cities and counties to give us good input on meeting need is not the technical forecast preparation per se, but it is where we need the outreach and negotiations. That will take place early spring. The integrated forecast is the basis on which we start the RHNA numbers, but there is another methodology that gets applied to the forecast in order to develop the RHNA, and we need a feedback loop to come back into the forecast so they are both consistent.

Ms. Harris referred to the timeline and stated that we've already notified subregions that they may choose to take delegation and handle that negotiation aspect of the RHNA themselves. That is an important policy decision at the local level. Unfortunately, we don't have money to reimburse the subregions for that significant effort so we'll have conversations with CEHD on that. In response to a question, Ms. Harris stated that the subregions have until September 15 to notify SCAG that they are considering delegation and want to talk further with us. The subregions should make a final commitment some time in October based on when they need to take it to their policy makers for a decision.

Ms. Harris stated that the first public hearing methodology workshop is on September 28 and the notice is included in the agenda. The notice walks through the steps of what will be done at the workshop. In response to a question about the 60-day public comment period on the RHNA methodology in existing statute, Ms. Harris stated that the direction we were given to proceed was to do it in accordance with the Pilot Program. This is not intended to meet, nor are we trying to represent, that we are starting RHNA under the existing law. We're starting workshops and methodology discussions as part of the integrated forecast approach and in accordance with the Pilot Program. The technical work over the next few months will be applicable to inform both the forecast and the final RHNA process. By December or January hopefully we'll have the Pilot Program in place.

It was suggested that SCAG prepare a description of the delegation process, specifying the tasks and timelines, so that the subregions take the same set of rules to their boards for action. Ms. Harris clarified that the subregions would be subject to the same tasks and timeline that SCAG is subject to.

It was noted that city planners are concerned about not having enough time to complete the revision of the housing elements if the process doesn't go through on a timely basis or if the Pilot Program is not adopted. Ms. Harris stated that the housing element portion of the state law is not something we are aiming to change. However, HCD has the discretion to give local jurisdictions the full year to update the housing elements.

Mr. Ty Schuiling, SANBAG, stated that getting the growth forecast correct at the local level is a major challenge, but the definition of the income thresholds and the methodology to move impacted jurisdictions toward a regional norm may be, from a policy standpoint, even more difficult. However, it isn't clear how addressing these issues fits into the timeline presented.

Next, Ms. Harris pointed to page 23 of the agenda packet, which outlined how the initial $100,000 is to be spent. At this stage there is no money allocated to the subregions. On page 25 of the agenda packet is the status of the Pilot Program proposal and the draft of what the Pilot Program looks like now after the discussions and negotiations that took place this summer. Finally, on page 29 of the agenda packet is a letter from HCD that was presented to the CEHD and Regional Council. The Regional Council directed staff not to do anything with it until we straightened out the funding or got new legislation relative to RHNA. The letter is included here because many of the TAC's questions dealing with the development of the housing need methodology are answered in here. Ms. Harris added that even if we are able to reach consensus in the region, we still have to convince the state that the consensus reached in our region is what should prevail.

Next, Mr. Joe Carreras, SCAG, discussed the RHNA methodology. His presentation reviewed the basic steps of developing a regional housing needs plan through the lens of the new Pilot Program process.

It was asked if SCAG was going to be preparing a written methodology. Mr. Carreras stated that some of the questions refer to tough policy issues that are yet to be determined and will depend on deliberation by our policy committee. For example, both the existing and proposed programs rely heavily on the AB2158 factors. It will be a challenge to determine how to weigh these factors or take those that are most critical to a fair distribution of housing need and apply those successfully given the feedback from the local governments. We are proposing an intensive interactive set of subregional workshops to begin in October to help determine and distribute the housing need. A subregion taking delegation would be free to apply what best suits its area and not necessarily use what SCAG applies to other areas. In response to a question, Mr. Carreras stated that subregions taking delegation would be responsible for producing the written documentation of the methodology and process they used for making the determinations.

In response to a question regarding Compass, Mr. Carreras stated that Compass is defined more as a program that seeks to help communities in better distributing growth within their own boundaries as opposed to distributions across cities and counties. Mr. Frank Wen, SCAG, added that staff will work with cities and stakeholders to discuss appropriate locations for densification, transit-oriented development, and so on. This input is translated by the growth forecast staff into TAZ-level growth distributions that are provided to the transportation modeling staff as model input.

In response to a question, Mr. Carreras indicated that the 2000 Census will be the basis for this round of RHNA. It is the best and most uniform data available across the region. Mr. Carreras stated that the Census definitions of overcrowded and overpaying households are used. SCAG or a subregion could define existing housing problems differently, but as a basic starting point and for coordination with federal housing planning requirements, these are the indicators that are used. Defining lower income housing need and diversity goals are policy decisions and may vary by region. Data on the homeless is not available, therefore those numbers are not factored into the allocation plan.

In a response to a question, Mr. Carreras stated that while the state looks at demolition permits collected by the Department of Finance (DOF) and doubles it, SCAG is proposing to take the data from the DOF as is and use that as the basis for calculating a reasonable minimum need for replacement units.

In response to a question, Mr. Carreras stated that the correction for desired vacancy rates is more of an issue at the regional level than at the local level. At the regional level it is used to determine the vacancy adjustment for the total regional housing need we'll be expected to maintain. About 95% of the need is related to household growth, and about 5% is related to vacancy adjustments. The state sees a higher ideal rate than we do for our region, and the higher rate would mean more in terms of housing need. We have a conservative assessment of ideal vacancy need that is consistent with the latest Census information. However, it is true that in 2000 we had a very low vacancy situation in some counties. Making up for that through more construction need is an issue that the state will bring up. There is a lot of freedom in the way a region can use the number; we previously have broken down the number for communities as it's broken down for the region. Other MPOs just take the total number and assign that across cities and counties without breaking it down. The regional totals will need to be maintained; subregions taking delegation will assign need across their communities and don't have to specify the breakdown in need, but they still have to maintain their subregional totals.

It was suggested that SCAG prepare an implementation manual for use by subregions and cities, including written clarification about where the region/subregions do or do not have discretion, and a side-by-side comparison of what the Pilot Program is proposing versus what is required in existing statute. Mr. Carreras noted that SCAG did provide to the subregions about ten different elements in a subregional delegation agreement. No decision has been made about producing a manual.

Mr. Carreras stated that SCAG's proposal for the vacancy rate is 2.7%, which has implicit in it the vacancy rate in ownership housing, for-sale housing, and housing for rent. That is on the low side, and HCD is saying it should be more like 3.5%. In the past SCAG has used a number closer to 3%. Our experience is that over time, urban areas mature and vacancy levels change.

In response to a question, Mr. Carreras stated that typically there is a 10% difference between permits issued and what's actually constructed. Usually that percentage drops in years when there's a lot of building activity and vice versa. This is used as a proxy for housing starts.

Mr. Carreras discussed the differences between a policy-based RHNA and a growth forecast. RHNA looks at the population in households and excludes students in dormitories, people in prisons, congregate housing needs for seniors, and the homeless. It looks at the optimal effective vacancy rates by tenure, normal replacement rates, and income group needs allocated across jurisdictions. The growth forecast looks at total population (both in households and not in households), trend-based total vacancy need, and building type breakdowns. Total household growth is key to both approaches.

Regarding the long range housing forecast based on population and employment growth, Ms. Linda Guillis, City of Moreno Valley, asked if the market cycle had been taken into account. The data presented is presuming a continued growth rate comparable to what we've seen as almost the highest growth rate in the history of California during the last five or six years. In western Riverside County, we're seeing a sustained growth rate in industrial and commercial but a significant reduction in new home starts. Mr. Carreras stated that what's driving the housing number is more the employment projection than historical trend.

Next Mr. Carreras discussed the income category groups according to the 2000 Census. The households fall into the categories as follows: very low 24%, low 16%, moderate 18%, and above moderate 42%. These are the regional numbers that we would have to maintain both in terms of the total number and the percentage in the affordable category. In response to a question, Mr. Carreras stated that when these are applied to the construction need, each county will be separate and different. Mr. Wen added that the numbers were calculated based upon each county's median household income. "Very low" households are 50% or lower of the county median, and "low" households are 80% or lower.

Mr. Carreras stated that, in terms of guidance for distributing housing need, the application of AB215 factors is not to be used to reduce overall need or need by income category. It is to be used in providing a much better and more credible distribution between communities. Allocating a lower proportion of need by income category is required in instances of disproportionately high share of households in that category. The county distribution is to be used as the benchmark for this. A delegate subregion would have the ability to define for itself a fair-share adjustment policy, but it would need at a minimum to have one that addresses this issue.

In response to a question, Mr. Carreras stated that one of the AB2158 factors is the relationship of jobs to housing, and you could make a policy decision to weight factors differently to try to improve the jobs-housing balance. Mr. Schuiling stated that if we continue to be rigidly tied to this county-by-county median income in terms of definition of affordability thresholds, we're going to have a policy problem.

In response to a question, Mr. Carreras stated that if a city is unable to meet its allocation, the subregional numbers must still be met unless alternative distributions or trade and transfer agreements are proposed.

Ms. Gail Shiomoto-Lohr, OCCOG, stated that the AB2158 factors are supposed to contribute to the development of the RHNA methodology before the numbers are set and allocated down. In the Pilot Program, the AB2158 factors are being considered after the numbers are already established. Mr. Carreras stated that the original intent was to have these factors brought into play at the subregional workshops to better refine the distributions between communities in subregions, and not so much as a tool for refining the county distributions of need or the inter-jurisdictional needs. Ms. Harris stated that there's been discussion relative to AB2158 factors and the forecast because it makes sense to apply the factors at the regional level before we even do the draft allocation plan. These are the two places where the AB2158 factors are important, regionally and at the local level for comment. The September 14 CEHD action is to give staff direction to disaggregate; they are not approving anything. The final growth forecast will be adopted by December 2007, and the draft will be adopted in June/July 2007.

In response to a question from Mr. Bruce Smith, Ventura County, Ms. Harris stated that the subregions have to maintain their total, and whether or not we have the ability to move that total is a policy question that hasn't been answered yet. Mr. Smith clarified that the question was not about trade and transfers but more about changing the forecast total. Mr. Carreras stated that the total regional need for RHNA is set by HCD at the front end, and it's very hard to change. With the work done over the last three years with communities giving input on employment and population change, we've gone a long way in meeting the requirements of the AB2158 factors in terms of the regional forecast.

Regarding subregional delegation, Mr. Carreras stated that subregions would have a great deal of flexibility in distributing housing need across their planning area. This delegation responsibility is voluntary, and SCAG is accepting expressions of interest to accept delegation. The subregional workshops will occur in mid-October, and agreements would have to be developed quickly with those subregions that are interested. Mr. Carreras noted that those subregions should work closely with their respective county agency regarding unincorporated areas.

In response to a question regarding legal challenges against numbers developed by a subregion accepting delegation, Mr. Carreras stated that in the notice sent to the subregions, indemnification is not something SCAG can support because there is no funding. The subregions would be responsible for addressing the appeals.

In response to a question, Mr. Carreras stated that the regional total need and affordable housing need must be maintained through the process, and there may be some flexibility with respect to county-level allocations. Typically the state establishes the regional need that SCAG must meet, but this time through the Pilot Program, SCAG is attempting to first establish a regional number through its growth forecast and submit it to the state in a bottom-up process.

The TAC asked for written responses to the questions in the agenda packet.

Mr. Carreras stated that there is a bill on the Governor's desk that would allow college dormitories to be counted toward the regional housing need (AB2572 Emerson). Another bill on the Governor's desk would add a new income category, "extremely low income." This category was actually used by SCAG last time for the existing housing needs statement because that category is in federal housing planning requirements but not state requirements. Next, Mr. Carreras stated that the bill on the RHNA Pilot Program did not make it through the August legislative session. There is generally broad agreement on the language in the bill. It will likely be introduced in December as an urgency bill and could be passed and take effect as early as January 2007.

Regarding the structure of the CEHD subcommittee to be formed at the Sep. 14 meeting, Mr. Carreras stated that the only guidance so far was to ensure that every county was represented. Only policy committee members will be chosen, but they may decide to broaden it with outside stakeholders or local planning staff.

It was noted that the county-level growth forecast numbers provided in the agenda packet are different than the forecasts provided to the TAC back in April. Mr. Wen stated that the numbers in the agenda packet are consistent with what was just presented to the TAC in August. Those numbers represent the policy-level growth forecast, which incorporates the impacts of the private-sector transportation investments in the RTP. The Compass will primarily effect the distribution at the city and sub-city level, and therefore has no impact on the regional or county-level numbers. The numbers presented to the TAC in April were the baseline forecast that does not include the impacts of these policies.

Ms. Shiomoto-Lohr asked if we would have the most reflective condition of what needs to be done to our transportation system if there are these policy implications that are imposed on it but have not yet been tested for reality to see if they would occur. Mr. Wen stated that the policy forecast has been updated to reflect the current conditions and an updated implementation schedule for the policy impacts.

Ms. Carla Walecka suggested that staff make clear to the CEHD that the draft forecast presented to them is the policy forecast, and that staff give them a comparison between the baseline forecast and the policy forecast. They should understand what the technical adjustments were leading up to the policy forecast. Mr. Schuiling stated that we need to have an analytical tool that can serve as an objective basis for reallocations of this kind. SCAG has in the past attempted to develop that kind of a growth allocation tool, which would be very helpful in this situation.

Regarding the growth forecast, Mr. Smith noted that in Ventura County it looks like employment and households are moving up and down at the same rate. However, in Orange County 22.65% increase in employment and only a 1.8% increase in households because those people are moving out to the Inland Empire. These are tremendous policy implications for transportation and mobility. Mr. Smith stated that the work is based on the premise that what has happened in the recent past is in fact going to happen in the future and is desirable. Probably the best thing we can do to improve mobility is to ensure that affordable housing is in close proximity to the jobs created. These questions should be presented to CEHD.

Mr. Wen stated that, in terms of growth redistribution, the policy was to maintain the county numbers and focus instead on minor changes at the subregion level and more significant changes at the smaller geographic level according to the growth visioning principles. Mr. Kim stated that the policy adjustments made to the forecast should be presented in a transparent way to policy makers in terms of why some adjustments should be made or not made. Mr. Schuiling stated that we should have a process in which we have a true base case or most likely outcome, absent significant policy change, and see if we like the outcome. If we do then we're done, otherwise we should look at the suite of policy adjustments that could be made to change that outcome for the better.

Mr. Kim stated that in the last round, the transportation model really did not reflect the capacity constraints that we had on some of our east-west freeways and some of the growth forecast assumptions were not sustainable from the modeling perspective. Ms. Shiomoto-Lohr noted that the Orange County numbers are higher than anything that the County itself is projecting. Mr. John Stesney, MTA, stated that SCAG has taken current trends and projected them into the future. The current trends reflect different policies in different counties and that gets projected into the future as well.

Mr. Wen stated that the forecasting staff welcomes this kind of discussion and would like input on what areas to look at. The forecast presented here reflects the policy discussion from the last RTP. As Mr. Carreras had suggested, we can allocate the households and housing units based upon population and employment, and the weighting factors could give us a tremendously different allocation. Mr. Smith stated it would be useful to know what factors were used to develop the forecast, and how they were used.

In response to a question, Mr. Wen stated that SCAG will be releasing only one set of numbers, which is the policy forecast. However, we will be using the baseline data to be able to assess the benefits or impacts of the policies.

Ms. Harris stated that staff is able to verbally inform the CEHD that the forecast numbers are an update from the 2004 RTP, and by definition the update includes policy considerations that were made for the 2004 RTP. Staff has been working on both a summary of what those policy applications are, and also be additional policies that could be discussed with the CEHD.

Ms. Tracy Sato, City of Anaheim, stated that Orange County's local forecast is showing significantly less increase in jobs that the SCAG forecast. This is due to a lot of land conversion from commercial and industrial to residential and a resulting loss of jobs. Approximately 50% of the housing growth is actually in infill growth. This could affect the subregional total. Ms. Sato asked at what point could these factors be brought forward into the process. Mr. Wen stated that SCAG has always worked collaboratively with the subregions to make the forecasts as consistent as possible. Mr. Smith stated that it sounds like there is an opportunity at the subsequent workshops to provide the AB2158 factors, and these issues are such factors. It also sounds like the subregional numbers are fluid at this point.

Regarding SCAG's growth forecast versus the DOF projections, Mr. Wen stated that the DOF projections for 2005 are 200,000 lower than actual 2005 numbers. SCAG's numbers are higher than the DOF numbers, but we believe that is the growth the region is going to face. Mr. Smith stated that to the extent that SCAG's forecast is slightly higher than the DOF numbers, at least there is some marginal play within the system that we can entertain appeals in the most egregious cases. Ms. Shiomoto-Lohr stated that this may not be the case for individual counties.

Mr. Schuiling stated that he would be supportive of going with SCAG's forecast, both in terms of the regional total and in terms of the distribution among counties, instead of the DOF numbers because SCAG brought in top economists and folks tracking growth in each of the areas of the region, and DOF does not do any of that.

It was noted that the comparison tables on pages 46 and 47 of the agenda included numbers from the 2004 RTP forecast and not the new 2007 RTP numbers. The TAC requested revised comparison tables to show the 2007 RTP numbers and the DOF projections.

## 4.0 <u>**Adjournment**</u>

The next meeting was announced as September 21, 2006. The meeting was adjourned.

**THE FOLLOWING MINUTES ARE A SUMMARY THE PLANS & PROGRAMS TECHNICAL ADVISORY COMMITTEE (TAC) MEETING. THE AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The TAC held its meeting at the SCAG offices in Downtown Los Angeles. The meeting was called to order by Chair Doug Kim, LACMTA.

**Members Present**

| | |
|---|---|
| Deborah Chankin | Gateway Cities COG |
| Kim Fuentes | South Bay Cities COG |
| Bill Gayk | Riverside Co. Transp. & Land Mgmt. Agency |
| Falan Guan | LACMTA |
| Tarek Hatata | System Metrics Group |
| Mark Herwick | County of Los Angeles |
| Lori Huddleston | LACMTA |
| Douglas Kim | LACMTA |
| Paula McHargue | LAWA |
| Catherine McMillan | CVAG |
| Miles Mitchell | LADOT |
| Gregory Nord | OCTA |
| Tracy Sato | City of Anaheim |
| Eileen Schoetzow | LAWA |
| Ty Schuiling | SANBAG |
| Gail Shiomoto-Lohr | OCCOG |
| Bruce Smith | Ventura County RMA |
| John Stesney | LACMTA |
| Jim Stewart | SCCED |
| Tony Van Haagen | Caltrans-District 7 |
| Carla Walecka | Transportation Corridor Agencies |
| Dianna Watson | Caltrans-District 7 |

**Via audio/video conference**

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|---|---|
| Rosa Lopez | IVAG |

**SCAG Staff**

| | | |
|---|---|---|
| Naresh Amatya | Wesley Hong | Jonathan Nadler |
| Joe Carreras | Hasan Ikhrata | Alan Thompson |
| Ping Chang | Ma'Ayn Johnson | Frank Wen |
| Elizabeth Delgado | Shawn Kuk | Danny Wu |
| Pablo Gutierrez | Philip Law | |

1.0 **Call to Order and Introductions**

Chair Doug Kim, LACMTA, called the meeting to order. Introductions were made.

2.0 **Public Comment Period**

There were no comments.

3.0 **Consent Calendar**

3.1 Approval Items

3.1.1 Approve Minutes of August 17, 2006

The meeting minutes were approved with no amendments, no objections.

4.0 **Discussion Items**

4.1 2007 Air Quality Management Plan

Jonathan Nadler, Program Manager for Air Quality and Conformity at SCAG, presented an update of the 2007 AQMP for the South Coast Air Basin, including a description of SCAG's portion of the Plan.

The focus of the plan is on the new federal PM2.5 and 8-hour ozone standards, neither of which were included in previous air plans. The PM2.5 standard is required to be attained by 2015, and the 8-hour ozone standard by 2021. SCAG has a legal requirement to develop a portion of the South Coast AQMP, which includes 3 components: 1) socio-economic data, 2) transportation model activity data, and 3) transportation control measures (TCM's).

SCAG provides socio-economic data and transportation model activity data to the South Coast Air Quality management District (SCAQMD) and the California Air Resources Board (CARB). Transportation model activity data is used by the SCAQMD for developing emissions inventories, airshed modeling, attainment demonstration, and setting transportation emission budgets. CARB uses this data in developing their emission factor (EMFAC) model. CARB is in the process of developing an updated EMFAC model (EMFAC2007) which is scheduled for release in November 2007. Timing of CARB's EMFAC update poses some analysis constraints in developing the new AQMP as the two cycles currently overlap. Emissions budgets for the 2007/8 RTP will be based on the 2007 AQMP/State Implementation Plan (SIP).

Transportation control measures (TCM's) are projects that reduce congestion and improve traffic flow, but do not include improvements to engine technology. The TCM's included in the 2007 AQMP are based on constrained projects included in the 2006 RTIP. Once adopted as part of the SIP, specified TCM's/projects become commitments on the part of the air basin, county transportation commissions, and local sponsors. FHWA reviews the RTP and RTIP to check for "timely implementation of TCM's". If TCM's are not meeting respective implementation schedules, formal substitution of TCM's must be made to ensure equivalent emissions reductions will be attained. The 2007 AQMP also includes a RACM (Reasonably Available Control Measures) analysis. RACM is a general requirement of the Clean Air Act to review all potential control measures, including TCMs efforts of other regions, and explain why particular measures are not being utilized. SCAG's RACM analysis for the South Coast Air Basin has found our TCM development program to be robust and leading-edge, with sound justification in cases where particular TCM's are not being employed.

The SCAQMD has done sensitivity analyses establishing that additional emission reductions of approximately 500 tons per day of VOC (volatile organic compounds) and NOx (nitrogen oxides) combined are necessary to demonstrate attainment of the 8-hour ozone standard. These reductions go beyond those requirements specified in the 2003 AQMP for meeting 1-hour ozone standard.
The air district will likely request a "bump-up" from its current Severe-17 status to Extreme Non-Attainment Area status in order to gain some flexibility in meeting the increased reductions standards. The Clean Air Act allows Extreme Non-Attainment Areas the use of "black box measures" which give air districts a bit more regulatory leeway in demonstrating attainment (i.e., less specificity of the control measures making up the black box portion of the air plan). The bump-up would also afford the air district three more years for meeting the 8-hour ozone standard (i.e., 2024).

There is a lot of focus throughout the Region on the issues associated with goods movement. CARB recently released an emissions reduction plan for goods movement as part of the State's Goods Movement Action Plan. SCAG, along with local partners, is involved in the Multi-County Goods Movement Project and other goods movement related efforts. Goods movement has emerged as a potential source for major reductions, historically having not been regulated as intensely as other areas. SCAG contributed discussion in the transportation section of the AQMP in reference to transportation projects and existing difficulties getting through the environmental review process, specifically in regard to diesel emissions associated with goods movement projects. SCAG's discussion also introduces potential "paradigm shifting" technologies to the existing truck and train model.

The 8-hour ozone SIP is due to EPA in June 2007. The PM2.5 SIP is due in April 2008. However, SCAQMD will include both standards in their 2007 AQMP and will need SCAG's portion prior to finalizing their plan update. The new AQMP will then go to CARB who will add their input before submitting to EPA by June 2007. SCAG has already submitted its draft portion to SCAQMD and provided all other technical input. CARB's portion is not ready yet but SCAQMD will make some assumptions in this regard for their preliminary draft release in October, to be followed by actual draft release in December. SCAQMD plans to submit to their Governing Board in March. CARB will add their portion to the air plan following AQMD's process and then will then submit to U.S. EPA for approval

Ty Schuiling (SANBAG) pointed out that the black box measure is available only for the 8-hour ozone standard and not the PM2.5. Mr. Schuiling's question was in regard to the measurable effectiveness or value of taking on more black box measures in addition to what was put in place in the previous AQMP. Mr. Nadler responded by stating PM2.5 attainment would be less demanding than meeting the 8-hour ozone standard, and without sufficient near-term measures by which the air plan may reach the overall reductions requirement, black box measures may afford the Region some flexibility.

Tony Van Haagen (Caltrans-District 7) raised a question about which transportation model used in the AQMP. Mr. Nadler responded with reference to SCAG's Interim Transportation Model currently being used until the new Transportation Model is finalized. Mr. Van Haagen also asked about availability of modeling results with respect to VMT output from previous used four-loop process and recently used five-loop process. Mr. Nadler acknowledged higher VMT output with current five-loop process and commented that a technical comparison of the two methodologies is being performed..

Jim Stewart (SCCED) asked a question about the significance of diesel truck emissions and the potential of existing truck engine technology (sulfur traps) to help move more quickly toward achieving attainment. Mr. Nadler referred to the new 2007 Heavy Duty Truck Standards coming online which will make the traps "integral" to the engine system. The larger issue is in terms of penetration of the new technology into the fleet. CARB's strategy is one that pushes the penetration of new trucks into the fleet at a rate that is faster than would otherwise occur. CARB is also in process of adopting an in-use regulation for retro-fitting private fleets analogous to the recently adopted public fleet rule. It was noted that retro-fitting is not feasible for all existing truck models.

Mr. Schuiling raised the issue of a mismatch existing between the expected heavy duty truck emissions due to tighter engine standards and recent CARB data showing higher actual emissions from this source. Mr. Nadler noted that a recent U.S. EPA presentation stated that emissions reductions have been tracking emission standards for trucks. Mr. Schuiling concluded by stating that heavy duty truck emissions should remain an area of concern.

Carla Walecka (Transportation Corridor Agencies) asked about the extent of emission reductions to be included in the RTP and TCM's in drafting the new AQMP. Mr.

Nadler's responded that the emission reductions from on-road source strategies are getting smaller and smaller since vehicles are becoming much cleaner. Ms. Walecka asked about SCAG's input on goods movement measures in the new air plan and how SCAQMD will proceed with the PM2.5 portion of the air plan. Mr. Nadler stated that SCAG's input is based on the projects envisioned in the 2004 RTP as adopted by the Regional Council. There remains the possibility that should SCAG introduce a substantial different program for goods movement in the 2007 RTP, the SIP could then be reopened to accommodate the new strategies.

Mr. Schuiling asserted that the black box strategy is dangerous to the success of the freight movement effort. He supported the position that such strategies need to be accompanied by an environmental strategy detailing how we are to achieve attainment, and should be consistent with projected growth scenarios for freight movement. He also expressed concern over moving forward with implementing transportation projects absent a more "fully formed" environmental strategy. At minimum, we should be able to describe the amount of allowable emissions associated with moving the freight stream; otherwise we would jeopardize our ability to implement projects due to inconsistencies with required health standards. Mr. Nadler responded that SCAQMD and CARB are accounting for the increased emissions associated with projected freight growth and will include control strategies achieving significant reductions from the goods movement sector. It was noted that other emission sources, such as consumer products, also need to be accounted for since it is a major contributor to the overall emissions inventory.

4.2 Standing Items

4.2.1 Growth Forecast

*2000 Census Jurisdiction-Level Income Distribution*
Ms. Elizabeth Delgado (SCAG) presented the income distribution data. Email attachments were distributed earlier in the week describing SCAG's three-step methodology detailing how households were put together using Imperial Valley as an example. The same methodology was used at the jurisdiction/city level. The intent was to notify the Region that SCAG is starting the Regional Housing Needs Assessment (RHNA) policy discussions to avoid the over-concentration of low-income households in areas that already show high concentrations.

*Existing Housing Needs Based on HUD Data*
Ma'Ayn Johnson (SCAG) discussed existing housing needs and how that was determined for the growth forecast. The HUD website outlines three main categories for housing problems: 1) overcrowding (more than 1.01 persons per bedroom) 2) affordability (more than 30% of household income devoted to housing cost) 3) substandard housing (lack of household facilities). Tables

provided via email show county by county housing unit totals distributed by income levels and tenure.

Joe Carreras (SCAG) presented the overall planning framework for RHNA. There usually is not much focus regarding the Existing Housing Needs Problems Statement which is one of the larger components of RHNA. As local governments update the housing element in their General Plans, the problems statement is a major consideration in determining how communities prioritize resources toward meeting their needs. The data set presented is useful in meeting both federal and state housing requirements. The data will be handed to SCAG (CEHD) in moving forward with the RHNA process.

In regard to fair share guidance, law mandates that we allocate lower proportion of need by income category if it exceeds county average, and county averages will be used to assess local needs. Housing statute calls for allocation methodology to avoid over-concentration of lower income households. Recent change in state housing law to adopt use of county median data has positive impact on affordable housing distribution and fair share adjustments.
Key policy implications for Community Economic and Development Policy Committees include policy development for determining local fair share distributions, and how to apply AB2158 factors at the varying geographic scales (region, subregion, county, etc.). Other policy considerations in regard to the appeals process, trades and transfers, alternative distributions, and incentives mechanisms.

Opportunities for sub-regional delegation have been made available and nine have replied in interest already. SCAG is in process of drafting a delegation agreement document. SB1322, pending state legislation, may impact the next RHNA cycle. SB1322 would require assessment of homeless needs in terms of the housing and land use elements. AB2634 would add an extremely low-income category to current framework. This category is currently used to assess existing needs statement but would extend to the future construction needs statement. AB2572-Emerson would require consideration of college dorms in RHNA process.

There was a question regarding the 1.01 persons per bedroom threshold (overcrowding definition). Mr. Carreras clarified definition as being 1.01 persons per room. There was a question about the federal government adjusting the affordability definition in lieu of lending institutions moving toward 35% of gross family income for cost of housing. Mr. Carreras stated that he was not aware of any adjustment being considered and the threshold would remain at 30% of gross family income.

Gail Shiomoto-Lohr (OCCOG) had a question on how the housing problems data is collected. HUD requests from data collected by US Census, Comprehensive Affordability Housing Data Set. Data is available on the HUD website and was accessed and programmed for use by staff. Staff determined that it would also be consistent with related activity at local level as communities typically access same database to apply for CDBG or other affordable housing funds. Ms. Shiomoto-Lohr requested distinction be made on whether over-crowding conditions are being reported on a self-defined (yes/no) basis or being calculated by Census using reported figures on number of people and number of rooms in household.

There was a note from Frank Wen (SCAG) in reference to the highlighted rows on the spreadsheets as being those where aggregate totals do not equal jurisdiction level data.

There was a question about CDP's and assessed needs being included into unincorporated totals. HUD data does not currently distinguish between CDP data for new cities and unincorporated areas. SCAG intends to extract data for new cities from CDP data and then separate between the two.

4.2.2 Highways and Arterials

*Preliminary Freeway Bottleneck Analysis*
Mr. Tarek Hatata, System Metrics, presented an update on the bottleneck analysis. It was a demonstration of congested locations within the state's highway system was based on Caltrans' annual Highway Congestion Monitoring Program report. The report shows both duration of congestion and overall trends. HICOMP focuses only on severe delay (speeds below 35 mph). PeMS maps will show where congestion is detected broken down by district. Based on the detection, PeMS will show where possible bottlenecks are located. A note was made about the tentative nature of pinpointing bottleneck locations based on detection information as it may be possible that the first detection is upstream despite the actual bottleneck occurring downstream. The combination of the two analysis methods should however provide a reasonable review of projects submitted by counties, subregions and others for inclusion in the RTP.

HICOMP detected delay trends from 1994 to 2004 are available by county or by district. From 1995 to 1998 HICOMP was suspended due to a budget crisis resulting in a lapse of available data. Various district trends for the 10 year period from 1994 to 2004 were presented by PowerPoint. Also noted was that HICOMP data can be imprecise in situations where good detection does not exist. Floating cars are dispatched to monitor congestion over a two-day period and the data collected is extrapolated to assume the annual trend. Source average travel speeds will inevitably vary from day to day. The vulnerability here is that data collected on a high congestion day may not be as representative of actual congestion conditions and vise versa. Divergence of data in comparing neighboring counties can in part be explained by this potential margin of error. Red points on the PeMS detection maps indicate where there is little or no data being generated.

PeMS data summary tables were prepared for TAC members representing the various counties and districts. All locations that PeMS considered to be possible bottlenecks were grouped, then filtered to isolate only those that were at least ten days active (with congestion) during the month of August. The number of days active is an expression of frequency of congestion and can indicate the increasing likelihood that it is a repetitive bottleneck on a daily basis. Another filter was to look only at those with at least 100 hours of delay per day.

Detection data was broken up also into AM and PM hours. The intent is to map these identified locations using GIS which would provide another layer of assessment for projects submitted. The hope is that a correlation would be possible between proposed projects and potential congestion mitigation impacts. PeMS data for District 8 is missing a significant amount of detection data in reference to eastern portions of I-10. In discussions with Caltrans, there seems to be interest in expanding detection capacity in the system with particulars yet undecided. Detection for District 12 is also spotty, resulting in a limited data pool.

There was a question about the reliability of detection even in areas where it is in place. Mr. Hatata responded by pointing to the challenge on the part of Caltrans districts having limited resources in funding the loops. Another area of concern has been that the communications have not been operating efficiently, where field data is not being received by the TMC. In more severe cases, TMC configuration files will indicate the existence of loop centers where none exist.

Bob Huddy (SCAG) pointed out that construction is a major cause for temporary lapses in detection system.

Carla Walecka (Transportation Corridor Agencies) inquired about lapses in District 8 especially along newly constructed toll roads. Mr. Hatata brought up potential proprietary issues with making detection data available with public-private joint ventures. This was part of the incentives used by the federal government to encourage the partnerships.

Kim Fuentes (South Bay Cities COG) asked about availability of 2005 data for use in 2007 RTP. Mr. Hatata responded positively.

4.2.3 <u>TDM / Non-motorized</u>

*Status Report on RTP Non-Motorized Element*
Mr. Alan Thompson, SCAG, provided an update of the non-motorized element. SCAG is currently collecting GIS data from all the Region's county transportation commissions. He has initiated contact with various advocacy groups in the attempt to identify what the public is looking for in the Plan. He has received numerous recommendations as a result and is currently reviewing them. The next step will be to complete data collection and reassess SCAG's progress, then follow with a workshop with participation from various advocacy groups, county commissions and others. Discussion would be about plan development, policies, and performance measures.

In response to Doug Kim (LACMTA), Mr. Thompson stated the next update would involve a description of existing conditions, accompanied by GIS maps, and a summary of planned projects included in the RTIP. The next update is anticipated for sometime in November.

4.3 <u>Transit Performance Measures Based on National Transit Database</u>

Mr. Tarek Hatata, SCAG, presented this item and acknowledged that SCAG is committed to assessing the performance of all the modes in the system. The data presented are from the National Transit Database (NTD), with the most current data being from FY2004. As updates for FY2005 come on line, SCAG will update data used for the next RTP to the extent possible. Finance, demographic and population data come from DOF. Trips and service hours data are from NTD. The productivity of the Transit System developed in the previous RTP, is a measure of total person miles divided by total seat miles. Seat miles is calculated by accessing NTD data which shows fleet composition by type multiplied by weighted average number of seats by total vehicle miles. For measuring cost effectiveness, operations data from NTD was analyzed.

Productivity data for FY2000-2004 was displayed on screen. Significant improvements were made in heavy rail going from 35% to 48%. Light rail productivity decreased slightly but the sense is that this was distorted by the opening of the Gold Line which needed time to stabilize. Bus stayed the same in LA County, Riverside, and Ventura, increased in OC, and decreased significantly in San Bernardino. Commuter rail also improved from 35% to 38%.

Population, transit trips, trips per capita, vehicle revenue miles, transit generated revenues (fares + advertising), amount of public subsidies were all presented by PowerPoint. There were $800 million in subsidies calculated for LA County in 2000 with total operating costs at $1.2 billion. Farebox recovery, subsidy per transit trip, and subsidy per capita were also described in the presentation. Subsidy per transit trip figures reflect operational efficiency or cost effectiveness. Subsidy per capita shows you how much it costs for the county as a whole. In 2004, changes show LA Co operating costs rising to $1.4 billion. Differences between 2000 and 2004 reflect decreases in farebox recovery for all the counties except Ventura. There was discussion about the challenges to farebox recovery especially for LACMTA in light of the Consent Decree.

Ty Schuiling (SANBAG) commented on the state's requirement for a 20% farebox recovery for service to continue. Mr. Hatata stated that farebox recovery trends and transit operations are not sustainable if they continue at current rates of decline.

Charts presented for committee showed transit trips to be growing at less than 5% regionwide while subsidies have increased almost 30%. This points to a need to look at assumptions for improving the growth imbalance. Subsidy per trip has increased almost 25%. Trip growth has also not kept pace with population growth.

Operating funding increased by almost 20%, this was at a much higher rate than inflation. An acceptable increase in operations funding should be at or near the inflation rate, with the assumption that revenues would eventually catch up with inflation due to fare increases with assistance from technology (productivity increases) to make up whatever difference there may remain. A lot of the increase in operating costs can be attributed to expanding revenue miles as opposed to increases to costs per unit. Revenue miles increased by 15%.

Revenues have decreased slightly but this was noted as an anomaly due to not having factored in labor strike activity in the previous year. Nevertheless revenue increases would still not have kept pace with inflation and can be attributed to a lack of increase in fares. A combination of decreasing farebox recovery and increasing subsidies projected out to 2030 should signal major fiscal concerns. And without agreement on some sort of fare increase assumption for the next RTP commensurate or close to inflation, we can expect to have difficulties demonstrating financial constraint for the next Plan.

Gail Shiomoto-Lohr (OCCOG) asked about SCAG's previous (2001 RTP) efforts looking into service provisions i.e. jitney, taxi cabs, etc. Mr. Hatata responded by stating that SCAG's analysis determined unsatisfactory yields from those previously suggested and BRT was selected in the 2004 RTP as a more viable alternative.
Doug Kim (LACMTA) commented about associating farebox recovery to income, for instance with Metrolink service having higher recovery rates than local bus lines run by Metro. Mr. Kim added that roadway pricing may be the only other viable approach aside from increasing fares to remain on pace with inflation.

4.4 Update on 2004 RTP Gap Analysis

Mr. Naresh Amatya, SCAG, presented this item. SCAG is continuing to move forward with a two-pronged approach to bring 2004 RTP into compliance with SAFETEA-LU while moving forward with the Plan update. SCAG is continuing to assess what its role should be in terms of the transportation security aspects of the Plan. SCAG's consultant has been gathering information from various agencies with security plans in place.

Environmental mitigation is another requirement of SAFETEA-LU. SCAG's environmental staff is currently studying the EIR document from the 2004 RTP to extract appropriate discussions to include.

There is also an expanded coordination requirement. SCAG is contacting state and federal level regulatory agencies as required, in order to ensure that respective resource maps are consistent with SCAG's transportation plan. Two workshops have been scheduled in this regard. SCAG will host the first workshop on October 10th. The second workshop will be held at SCAG's Riverside office on October 12th. These workshops will contribute to the gap analysis work.

It has come to SCAG's attention that MTC has received confirmation from FHWA that their SAFETEA-LU compliance is not required until their next planning cycle, which is 2009. Mr. Amatya commented that this interpretation of the statutory requirement be acknowledged cautiously as SCAG is still awaiting clarification on how it impacts its RTP and RTIP processes. SCAG will update the TAC accordingly as it continues to receive guidance from regulatory agencies. Conditional relief from the SAFETEA-LU requirement would free up SCAG to focus more resources toward demonstrating compliance for the next RTP.

## 5.0 <u>Staff Report</u>

Mr. Naresh Amatya, SCAG, introduced Shawn Kuk and Pablo Gutierrez as new SCAG staff members.

## 6.0 <u>Adjournment</u>

The next regular meeting was announced as October 19, 2006. A notice will be sent out to the TAC members regarding the special meeting on RHNA. The meeting was adjourned.

# *Minutes*

**THE FOLLOWING MINUTES ARE A SUMMARY THE PLANS & PROGRAMS TECHNICAL ADVISORY COMMITTEE (TAC) MEETING. THE AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The TAC held its meeting at the SCAG offices in Downtown Los Angeles. The meeting was called to order by Chair Doug Kim, LACMTA.

## Members Present

| | |
|---|---|
| Baldmir, Grace | GRA/FHWA |
| Chankin, Deborah | Gateway Cities COG |
| Chung, Connie | County of Los Angeles |
| Davis, Itari | County of Los Angeles |
| Fuentes, Kim | South Bay Cities COG |
| Hamilton, Jeff | City of Glendale |
| Herwick, Mark | County of Los Angeles |
| Huddleston, Lori | LACMTA |
| Humphrey, Jack | Gateway Cities COG |
| Kim, Douglas | LACMTA |
| Moore, Julie | County of Los Angeles |
| Noch, Michelle | FHWA-CA |
| Nord, Gregory | OCTA |
| Sato, Tracy | City of Anaheim |
| Schuiling, Ty | SANBAG |
| Shiomoto-Lohr, Gail | OCCOG |
| Stesney, John | LACMTA |
| Trimble, Bill | City of Pasadena |
| Tsao, Jack | City of Los Angeles |

## Via audio/video conference

None

## SCAG Staff

| | |
|---|---|
| Naresh Amatya | Shawn Kuk |
| Joe Carreras | Philip Law |
| Simon Choi | Alan Thompson |
| Hasan Ikhrata | Frank Wen |
| Lynn Harris | |

## 1.0 Call to Order and Introductions

Chair Doug Kim, LACMTA, called the meeting to order. Introductions were made. The TAC members conferred on scheduling concerns with respect to the regular monthly TAC meeting and the RHNA Subcommittee meeting both falling on Thursday morning (10/19). There was also some discussion regarding the goal of today's special meeting and the need to provide technical guidance to the RHNA Subcommittee with respect to RHNA methodology.

## 2.0 Public Comment Period

There were no comments.

## 3.0 Discussion Items

### 3.1 RHNA Vacancy Needs and Fair Share Issues

Mr. Joe Carreras, SCAG, presented an explanation of the proposed vacancy rate application method. Mr. Carreras prefaced his presentation by noting that the RHNA Subcommittee on last Thursday (Oct.12) had decided to not recommend the application of a vacancy adjustment to the existing housing stock. Mr. Carreras explained in some detail, a distinction between a *needs assessment* and a *pure forecast*. A pure forecast would entail using *total vacancy rates*, whereas in a needs assessment, the focus would just be on *effective vacancy rates.* Effective vacancy rates would only include those units that are vacant and available for sale or rent.

In addressing the question of what might constitute a healthy housing market, Mr. Carreras referred to a letter from the state HCD written to SCAG in May 2005. The letter expressed what the state felt would be the appropriate vacancy rate for the SCAG Region. The state had presumed weighted average (ownership – rental units) vacancy rates of 3.5%[1] for the low scenario and 4.2% for the high. Mr. Carreras stated that SCAG had also proposed using the 2000 Census vacancy level of 2.7% for the Region as yet another option to consider.

TAC members raised some technical questions at this point about the implications of using various vacancy rate percentages. Mr. Carreras commented on the potential applications of using percentage adjustments on communities with low vacancy rates and high overcrowding, or various other communities with unique housing market situations.

Mr. Bill Trimble, City of Pasadena, asked whether or not SCAG favored the application of different vacancy rates for different sub-regions. Mr. Carreras replied by stating that it was an option and not a staff recommendation at this point. Mr. Trimble noted that there were numerous anomalies that may still need to be discussed.

[1] Combined vacancy rate of 3.5% (the average of 4.4% rental and 2.5% ownership units)

Ms. Gail Shiomoto-Lohr, OCCOG, asked whether or not SCAG and HCD both used the effective vacancy rate instead of total vacancy in assessing regional housing needs. Mr. Carreras reaffirmed that SCAG and HCD both use effective vacancy rate and that it is the more appropriate factor to use in construction needs assessments.

Mr. Bill Trimble commented that local jurisdiction general plan housing elements require that existing historical needs be addressed whereas the proposed needs assessment reflects future need. Mr. Trimble asked if SCAG's position is that existing need should also be reflected in the RHNA process by applying a vacancy adjustment. Staff reminded the committee that the RHNA Subcommittee had agreed to not include an existing housing stock vacancy adjustment in this next RHNA.

TAC members continued with some discussion on the existence of anomalies and ways to address them. The TAC requested that staff clarify/summarize the available options. Mr. Carreras stated that additional adjustment options were available for consideration for unique housing market areas such as Southeast L.A.

SCAG staff commented that absent direction from TAC on an agreeable vacancy rate, the staff recommendation would be to follow the HCD guideline of using the 3.5% weighted average across the board for all local jurisdictions regionwide. TAC members expressed some concern with using a standardized adjustment for all jurisdictions.

Ms. Deborah Chankin, Gateway Cities COG, asked how the staff recommended application would advance the expressed policy goal of incorporating the housing cost factor into the RHNA. Mr. Frank Wen, SCAG, replied that for those communities that have a vacancy rate that is relatively lower than the ideal rate, it would indicate that there is a shortage. This may be a result of a community having a disproportionate concentration of low and very low income housing in which case, the positive impact would be to increase affordability by way of reduced housing costs. For those communities with relatively high vacancy rates, the effect would be to relieve them from having to continue with existing rates.

TAC members reengaged in discussion regarding the relationship between existing vacancy characteristics for local jurisdictions and vacancy rate adjustments for being applied only toward future growth. Staff reiterated that the direction from the RHNA Subcommittee was to exclude an existing vacancy rate adjustment in the needs assessment methodology.

Ms. Chankin commented that staff has not presented enough options in dealing with the RHNA Subcommittee policy goals, either in terms of the housing cost issue or the jobs-housing balance issue in a more general sense. Mr. Schuiling commented that there was a lack of integration between the housing forecast and transportation or air quality implications and specifically in regard to jobs-housing impacts. TAC members commented that there seemed to have been a lack of opportunity to discuss broader policy considerations in coordination with the RHNA process. TAC

Chair noted that the committee would have about a month before specific housing allocations would be finalized which would allow members to continue with broader policy discussions at a later time if they so chose.

Mr. Bill Trimble reiterated his earlier position that should the staff choose to go forward with the recommendation to apply an across the board approach without regard to lower income communities with low vacancy rates, those lower income communities would be disproportionately impacted by the eventual allocations.

TAC members discussed the possibility of being able to deliver an alternative to staff's recommendation. There was some discussion that more data would need to be presented to the TAC from staff in order to facilitate any development of alternative methodologies.

Ms. Lynn Harris informed the TAC that there would be opportunities later in the process to try and address any identified anomalies but that it should come at a point in the process where an assessment methodology has been determined and tentative allocations have been generated. Ms. Harris stated that staff's intent was to try and extend the window of opportunity for further discussions beyond the three to four week timeframe between now and November.

Mr. Doug Kim asked committee members whether or not they would like to extend the meeting to continue discussions. Several TAC members and staff agreed to participate in continued discussions. The Chair dismissed himself and requested Mr. Ty Schuiling to chair the remaining portion of the meeting. The committee also agreed to ratify on Thursday, any decisions made during the extended session.

TAC members raised another issue in respect to the application of the adjustment to rental units. Mr. Frank Wen stated that if a correlation analysis between rental units and affordability were to be done, it would probably result in a similar policy goal that would call for increasing vacancy rates. Staff reiterated that it was open to a TAC recommended ideal vacancy rate specific to rental units to better carry over the housing tenure characteristics of local jurisdictions.

Mr. Joe Carreras summarized what he felt represented the two most significant categories of anomalies. The first was a scenario of low income communities whose residents have responded to costs by overcrowding and overpaying and thus creating unusually lower vacancy rates. The second anomaly can be represented by high income cities with high vacancy rates and are challenged by absorption problems. For such cities, there appears to be no real burden on the community over time as the market should stabilize. But in the process, these cities have been able to take credit for vacancies in effect being relieved of their market and affordability needs. Mr. Carreras went on to explain that these were the scenarios or anomalies in which existing vacancy conditions really become pertinent to the discussion at hand. Mr. Carreras suggested that for those impacted[2] communities that currently have a

[2] Local jurisdiction housing distribution shows its percentage of low + very low income households is greater than the regional percentage.

larger percentage of lower income units relative to the Region, they should not be required to apply the regional vacancy rate adjustment, instead just applying their current rate. Another option presented by Mr. Carreras was to only allow the credit of market rate units to the assessed need numbers, in turn requiring all jurisdictions to meet their adjusted share of affordable units. Should the regional total fall short by a certain number of units with the application of these types of secondary adjustments, Mr. Carreras contended that the equity benefits would seem to outweigh the numerical discrepancy.

TAC members requested some explanation from staff in regard to the integrated forecast and the relationship between RHNA and the RTP. There were some questions as to how policies that impact the jobs-housing balance would affect the transportation model. Staff responded by explaining that such policies may require a shifting of housing units across jurisdictional boundaries which may in turn affect the growth forecast.

The TAC came to a consensus on a general methodological framework where one single ideal vacancy rate adjustment would be applied across the board for all local jurisdictions with exceptions for identified anomalies relative to the Region. The TAC agreed requested that staff provide an outline of the adjustment strategy for the low-income, low vacancy and high-income, high vacancy anomalies. Staff received direction to return Thursday morning with additional information using standard deviation calculation to treat the anomalies. County medians would be used as the guideline for determining percentages of low + very low income households for local jurisdictions.

## 4.0 Adjournment

The next regular meeting was announced as 9 a.m. October 19, 2006. The meeting was adjourned.

# *Minutes*

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| Members Present | |
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| Baldmir, Grace | GRA/FHWA |
| Bare, Gerald | Caltrans-District 7 |
| Bhuiyan, Shefa | Caltrans-District 8 |
| Chankin, Deborah | Gateway Cities COG |
| Chung, Connie | LA County DRP |
| Davis, Kari | LA County DRP |
| Diep, Deborah | CDR/CSU Fullerton |
| Fuentes, Kim | South Bay Cities COG |
| Hamilton, Jeff | City of Glendale |
| Hardy, Lisa | Santa Clarita |
| Humphrey, Jack | Gateway Cities COG |
| Kim, Douglas | LACMTA |
| Krause, Mary Ann | Ventura County |
| Lair, Charles | Caltrans |
| Longenecker, Larry | City of Laguna Nigel |
| Marcus, Richard | OCTA |
| Moore, Julie | LA County DRP |
| Morehouse, Carl | Ventura County |
| Noch, Michelle | FHWA |
| Sato, Tracy | City of Anaheim |
| Schuiling, Ty | SANBAG |
| Shiomoto-Lohr, Gail | Orange County COG |
| Smith, Bruce | Ventura County RMA |
| Stesney, John | LACMTA |
| Tam, Veronica | Indian Wells |
| Trimble, Bill | City of Pasadena |
| Tsao, Jack | City of Los Angeles |
| Van Haagen, Tony | Caltrans-District 7 |
| Walecka, Carla | Transportation Corridor Agencies |
| Watson, Dianna | Caltrans-District 7 |

| Via audio/video conference | |
|---|---|
| Rosa Lopez | IVAG |

**SCAG Staff**

Naresh Amatya
Hasan Ikhrata
Ma'Ayn Johnson
Shawn Kuk
Philip Law
Frank Wen

1.0 **Call to Order and Introductions**

Chair Doug Kim, LACMTA, called the meeting to order. Introductions were made.

2.0 **Public Comment Period**

There were no comments.

3.0 **Consent Calendar**

3.1 Approval Items

3.1.1 Approve Minutes of September 7, 2006
The TAC agreed to defer the approval to the next TAC meeting.

3.1.2 Approve Minutes of September 21, 2006
The TAC agreed to defer the approval to the next TAC meeting.

3.2 Information Items

3.2.1 SCAG Regional Activities Relevant to RTP Development
Staff provided the TAC a summary of what the various other SCAG committees and taskforces have been doing.

4.0 **Discussion Items**

4.1 Continuation of discussion from Oct. 16 regarding vacancy needs and fair share issues
Joe Carreras, SCAG, began with a short recap of the discussion from Monday's special TAC meeting and provided additional hand-outs[1] with housing costs information and data for impacted communities.

TAC members discussed language contained in the RHNA Subcommittee's meeting agenda to be held following the TAC meeting. The RHNA Subcommittee agenda included a summary of what SCAG staff and the TAC had agreed to move forward with following Monday's special TAC meeting. Deborah Chankin, Gateway Cities COG, raised a question as to whether or not the TAC had in fact agreed to recommend special treatment of unique housing market areas or communities beyond the across-the-board application of the 3.5% ideal vacancy rate adjustment.

Frank Wen, SCAG, referred the TAC to the handout entitled "Share of Low and Very Low Income Households…" to describe what the application of an impacted community policy might mean to such communities and their vacancy needs assessments. Two conditions were specified in this regard. First, a jurisdiction's

[1] Handout 1: Analysis of Regional Housing Needs (2005-2014) at the Jurisdictional Level
Handout 2: 2005 Single Housing Prices at the Jurisdictional Level: Standard Deviation
Handout 3: Share of Low and Very Low Income Households at the Jurisdictional Level (Using County MHI)

percentage of low + very low income households would be greater than its county's percentage. Second, impacted communities with census vacancy rates lower than the 3.5% adjustment would be applied the lower rate.

Bill Trimble, City of Pasadena, commented that an analysis dependent on the correlation between vacancy and housing price may be ignoring other significant variables pertinent to the discussion.

Veronica Tam, Indian Wells, commented that cities like Indian Wells experience high vacancy rates in lieu of resort activity and the substantial presence of second homes. Ms. Tam also commented that traffic impacts and impacts to jobs-housing balance are unique to communities such as Indian Wells and that the current methodology does not recognize the unique characteristics. Ms. Tam continued to state that ownership versus rental units proportions should weigh more heavily into the assessment. Staff responded by stating that the 3.5% adjustment is a weighted average of rental and ownership units.

Hasan Ikhrata, SCAG, urged the TAC to arrive at a consensus, one which could be used as a recommendation presented to the RHNA Subcommittee in moving forward with a vacancy rate adjustment methodology. The TAC requested some revision of the language contained in the RHNA Subcommittee agenda. Staff agreed that this would be possible. The TAC agreed on wording changes to be made to the RHNA Subcommittee agenda.

Deborah Chankin requested clarification on Handout 1, under the "Total Housing Needs" column. She was not clear whether these totals represented totals that included the adjustment for impacted communities or if they showed just the 3.5% across-the-board adjustments.

Doug Kim, Chair, moved to proceed with discussion on fair share issues. The TAC members engaged in discussion regarding jobs-housing balance and SCAG's baseline forecast. Ty Schuiling, SANBAG, commented that future infrastructure investment needs and housing construction needs would both be impacted according to the current baseline forecast, especially in terms of Orange, Riverside, and Los Angeles counties. Staff stated that people will continue to have opportunities to weigh in on jobs-housing balance concerns as well as RHNA methodology during the coming month through the subregional integrated forecast workshops and at the final public hearing for RHNA policy. Staff stated that SCAG is scheduled to finalize the housing needs assessments by January 2007.

Mary Ann Krause, Ventura County, stated her concern over the lack of technical guidance the RHNA Subcommittee has received from the TAC in regard to diversity and fair share issues. Ms. Krause recommended that the TAC discussion be delayed to include the RHNA Subcommittee meeting to follow.

TAC members commented on the significance of the replacement rate component of the needs assessment methodology. Grace Balmir, FTA/FHWA, and Tracy Sato, City of Anaheim, both stated that the replacement rates for some of the jurisdictions seemed especially high. Ms. Sato stated that relying solely on demolition data reported by jurisdictions could be problematic in particular cases and that a better approach could be discussed at a later time perhaps.

Doug Kim reiterated the sentiment of the TAC that in light of SCAG current time constraints, follow-up meetings to discuss a number of other technical considerations would be worthwhile.

TAC members requested clarification on staff's suggestion from Monday's meeting regarding the treatment of high income, high vacancy rate communities. TAC members pointed out that there was only one outlier that would fit this profile and that it would unit gains would not be substantial enough to warrant a policy change. Joe Carreras stated that a higher affordable housing goal can be proposed through the fair share adjustment policy and satisfy the TAC's desire to address such equity concerns.

Joe Carreras presented the fair share adjustment policy. Mr. Carreras stated that the fair share adjustment would only apply to future construction need and not address past imbalances. The proposed approach would use the local median income as a basis for measuring the concentration of any one income group within a community. The local median income would be gauged against the county median for the purpose of setting income based diversity goals. Mr. Carreras stated that this proposal is meant to have a targeted impact on those poorer communities with local median incomes that are less than the county median income, in that their goals for affordable housing would be considerably less.

TAC members voiced concern over using a local median income figure as a basis for defining affordability.

Doug Kim, moved to adjourn the TAC meeting in lieu of the RHNA Subcommittee meeting awaiting to begin in the same room.

## 5.0 <u>Staff Report</u>

There were no staff reports.

## 6.0 <u>Adjournment</u>

The meeting was adjourned.